REPORT
of the
STANDING COMMITTEE ON PUBLIC ACCOUNTS

1987

Dr. William Gillis, M.L.A.
Chairman

Mr. George Archibald, M.L.A.
Vice-Chairman

The Third Session of the
Fifty-Fourth General Assembly

REPORT

of the

STANDING COMMITTEE ON PUBLIC ACCOUNTS

of the

LEGISLATIVE ASSEMBLY OF NOVA SCOTIA

Dr. William Gillis, M.L.A.
Chairman

Mr. George Archibald, M.L.A.
Vice-Chairman

The Third Session of the Fifty-Fourth General Assembly

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Report of the
Standing Committee on Public Accounts

INTRODUCTION

This report is the work of the Standing Committee on Public Accounts. The membership of this Committee was approved in the Nova Scotia Legislature on March 27, 1987. The Committee dealt with the Report of the Auditor General, March 31, 1987 and a number of other issues.

Membership:

Dr. William Gillis, M.L.A., Chairman
*Mr. George Archibald, M.L.A., Vice-Chairman
The Honourable Ronald C. Giffin, Q.C.
The Honourable Ronald S. Russell, C.D.
The Honourable G. David Nantes
The Honourable Brian Young
Dr. James MacLean, M.L.A.
Mr. Vincent J. MacLean, M.L.A.
Mr. John Holm, M.L.A.

*Appointed Vice-Chairman - April 29, 1987.

The Standing Committee on Public Accounts operated under several reform-oriented changes recommended in the May 1986 Report of the Select Committee on Rules and Procedures of the House of Assembly. These changes were debated and approved in the Legislature on May 23, 1986.

One change set a precedent as it made provision for the Committee to be chaired by a member of the Official Opposition. Dr. William Gillis, M.L.A. for Antigonish, was the first Chairman so elected.

Another change in effect for all Standing Committees was that no Minister shall be appointed to a Standing Committee established for the purpose of considering matters normally assigned to or within the purview of that Minister. As a result, the Minister of Finance, unlike in other years, was not a member of the Standing Committee on Public Accounts for the Third Session of the Fifty-Fourth General Assembly.

These changes had been recommended by the present Auditor General, Mr. Paul Cormier and his predecessor, Mr. Arnold Sarty. Dr. Gillis, on behalf of the Committee, congratulated the Select Committee on Rules and Procedures of the House for supporting these changes.

The Auditor General made a number of other suggestions relating to the organization and practices of the Public Accounts Committee. These include: the need for a more formal enunciation of the role and responsibilities of the Committee; the use of formal agendas and the provision of required background materials to facilitate discussion at meetings; the preparation of a substantive report annually to the House of Assembly; and the scheduling of meetings other than when the House is sitting (1986 Report of the Auditor General, p.30). Although there is always room for improvement, the Committee has succeeded, to varying degrees, in complying with these suggestions.

Although it was not always possible to avoid discussing isolated individual transactions, the intent of the Committee was to look at some of the broader issues of management and financial administration. The Committee received suggestions for witnesses from each of the three parties represented in the Legislature. These lists included the Auditor General, representatives from the Nova Scotia Teachers' Pension Commission, Sydney Steel, Nova Scotia Resources Limited, the Provincial Tax Commissioner, the Farm Loan Board, Theta Marketing and others. The intial agenda was set on April 1, 1987, with the unanimous consent of the Committee members.

The Standing Committee on Public Accounts met on the following dates:

April 1, 1987
April 8, 1987
April 15, 1987
April 22, 1987
April 29, 1987
May 1, 1987
May 6, 1987
May 13, 1987
May 20, 1987
May 27, 1987
October 28, 1987
December 2, 1987

The verbatim transcripts of the meetings of the Public Accounts Committee are available at the Legislative Library.

The Committee extends its thanks to the witnesses for appearing and for their co-operation and willingness to provide information.

The Committee also thanks the Auditor General, Mr. O. Paul Cormier, and his staff; the Editor of Hansard, Mr. Rodney Caley, and his staff; staff at Province House; the Committees Office, which provides administrative and technical support to the Committees; Mrs. Margaret-Anne Bennett, Legislative Intern who served as Secretary to the Committee until June 1987 and Ms. Dianne M. Stillman, who served as Secretary to the Committee for the remainder of the year.

Finally, the Committee thanks Mr. Speaker, Arthur R. Donahoe, for his co-operation.

Report of the
Standing Committee on Public Accounts

WITNESSES

Office of the Auditor General - April 8 and 15, 1987

Mr. O. Paul Cormier	Auditor General
Mr. Roy Gunn	Deputy Auditor General
Mr. James Butler	Assistant Auditor General

Nova Scotia Resources Limited -April 22 and October 28, 1987

Mr. Peter Outhit	President and Chief Executive Officer

- December 2, 1987

Mr. Peter Outhit	President and Chief Executive Officer
Mr. John French	Director - Governmental and Regulatory Affairs
Mr. Robert MacDiarmid	Treasurer

Sydney Steel Corporation - April 29, 1987

Mr. E. Boutilier	President
Mr. M. Cochrane	Chairman of the Board
Mr. R. Skinner	Secretary/Treasurer

United Steel Workers of America (Local 1064) - April 29, 1987

Mr. John Callaghan	President
Mr. Benny O'Neill	
Mr. Clifford Boutilier	

Nova Scotia Power Corporation - May 1, 1987

Mr. Louis Comeau	President and Chief Executive Officer
Mr. R. C. Fraser	Vice-President and Chief Financial Officer
Mr. L. J. Sweett	Vice President, Consumer Services
Mr. G. D. Lethbridge	Vice-President, Engineering and Production
Mr. T. F. MacDonald	Vice-President, Planning

Report of the
Standing Committee on Public Accounts

Halifax-Dartmouth Bridge Commission - May 13, 1987

Mr. Reg Prest	Chairman
Mr. Basil Gordon	Secretary
Mr. Ken Munro	Comptroller
Mr. Jerry Kay	General Manager

Provincial Tax Commission - May 13, 1987

Mr. A. G. Manuel	Deputy Minister - Department of Finance
Mr. Eric Lavers	Tax Commissioner

Teachers' Pension Commission - May 20, 1987

Mr. G. J. McCarthy	Chairman
Mr. R. W. Jack	Commission Secretary
Mr. B. MacDonald	Actuary

Public Service Superannuation Plan - May 20, 1987

Mr. A. G. Manuel	Deputy Minister - Department of Finance
Mr. G. Sturdy	Manager

Venture Capital Corporation - May 27, 1987

Mr. J. R. (Pat) Ellis	Chairman
Mr. Robert Hanna	Manager - Venture Capital Program

STANDING COMMITTEE ON PUBLIC ACCOUNTS

1987

REPORT

ORGANIZATIONAL MEETING

The Organizational Meeting of the Standing Committee on Public Accounts took place on April 1, 1987 at 10:00 a.m. in the Legislative Chamber, House of Assembly.

Mr. Rod MacArthur, Clerk of the House, served as Chairman until a Chairman was elected.

The meeting proceeded with:

- the election of Dr. William Gillis as Chairman of the Committee.
- the appointment of Ms. Margaret-Anne Bennett, Legislative Intern, as Secretary to the Committee.
- the presentation of party lists containing suggestions for witnesses.
- the setting of an initial agenda.

Further meetings will take place on Wednesdays at 9:00 a.m. in the Legislative Chamber unless Members are otherwise notified.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 1, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald C. Giffin
Hon. Ronald S. Russell
Hon. G. David Nantes
Hon. Brian A. Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis, Chairman
Hon. Ronald S. Russell
Hon. G. David Nantes
Hon. Brian A. Young
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Dr. M. Lawton attended on behalf of Dr. James MacLean.

Mrs. Margaret-Anne Bennett
Secretary

The meeting began at approximately 10:00 a.m. with the Chief Clerk of the House, Mr. Rod MacArthur, serving as Chairman. The first order of business was the election of a Chairman for the Committee. For the first time in the history of Nova Scotia, the Chairman of the Public Accounts Committee was chosen from the ranks of the Members of the Official Opposition.

It was moved by Mr. Vince MacLean and seconded by the Hon. Ronald Russell that Dr. William Gillis be elected Chairman of the Standing Committee on Public Accounts. Dr. Gillis assumed the Chair.

Meeting Summary
April 1, 1987

The Chairman's first order of business was the appointment of a Secretary to the Committee. Dr. Gillis introduced Mrs. Margaret-Anne Bennett, a Legislative Intern assigned to the Committees Office, and recommended her appointment to the position. After a brief discussion, the appointment was approved by all members.

The main order of business for the meeting was the setting of an agenda for the upcoming weeks. Party lists were accepted and, after some discussion, it was decided that the first witnesses and/or topics would be:

1. The Auditor General

2. Nova Scotia Resources Limited

3. Sydney Steel Corporation - joint meeting with the Standing Committee on Economic Development

4. Teachers' Pension Fund and Public Service Superannuation Fund

Mr. John Holm commented that the list could be much longer and serves to illustrate the point that the Committee needs to meet beyond the time the House is in session. It was generally agreed, after some discussion that, if the Chairman was to call such a meeting, Members would make every effort to attend. The Hon. Ronald Russell suggested Members would attend if the matter was deemed important. Dr. Gillis felt the Committee would meet, if called, out of respect for the Chair and the Committee and because the precedent is there.

The meeting adjourned at 11:00 a.m.

Next meeting is scheduled for April 8, 1987.
Subject: Auditor General

OFFICE OF THE AUDITOR GENERAL

The Standing Committee on Public Accounts started its meetings for the Third Session of the Fifty-Fourth General Assembly by calling the Auditor General, Mr. O. Paul Cormier, to appear at its first two working meetings on April 8 and 15, 1987.

Committee Members based many of their questions on the Report of the Auditor General, dated March 31, 1986. In his opening remarks, Mr. Cormier drew attention to several statements made in his report. He re-emphasized that "government must ensure that it has a management control and review structure .....to ensure that, to the best of its ability, there is appropriate management of government resources". He identified two areas where he felt this type of initiative is required but currently deficient - internal audit and cash management.

Mr. Cormier reminded the Committee that 70% of the government's expenditures are not under the direct day to day management of departmental public servants. They are, rather, passed on to and managed by recipients of grants, assistance and other support: in educational institutions, health service facilities, municipalities, social service institutions and support services. Given this situation, the Auditor General stated that there must be a means to ensure that those managing these government expenditure dollars do so with due regard for economy, efficiency and effectiveness. Mr. Cormier suggests a more meaningful degree of accountability is needed and may require legislative change in some areas to accomplish this.

Many questions raised at subsequent meetings involving Sydney Steel Corporation, the Teachers' Pension Commission, Venture Capital Corporation and others often related to concerns brought to the attention of Committee Members by the Auditor General either through his 1986 Report or in his response to questions.

These issues ranged from discussions on cash management, additional appropriations, provincial retirement plans, changes in Crown Corporation legislation, internal audits and financial monitors for expenditures outside government control.

Office of the Auditor General
...continued

A new section of the 1986 Report entitled, 'Status Prior Years' Observations and Recommendations' was included "to provide a reference indicating the action taken and progress made on observations and recommendations from previous years' Annual Reports". This was deemed to be a most worthwhile section by Committee Members. A suggested role for the Public Accounts Committee would be a more formalized follow-up process relating to items in this section of the Report. Mr. Cormier explained how this follow-up process was handled in other jurisdictions and suggested that, over a period of time, our own Public Accounts Committee could develop a more routine and structured approach to these matters.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 8, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald C. Giffin
Hon. Ronald S. Russell
Hon. G. David Nantes
Hon. Brian A. Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis, Chairman
Hon. Ronald C. Giffin
Hon. Ronald S. Russell
Hon. G. David Nantes
Mr. Vincent MacLean
Mr. John Holm

Dr. Colin Stewart attended for the Hon. Brian Young.
Mr. Gardner Hurley attended for Mr. George Archibald.

Mrs. Margaret-Anne Bennett
Secretary

WITNESSES:

Mr. O. Paul Cormier	Auditor General
Mr. Roy Gunn	Deputy Auditor General
Mr. James Butler	Assistant Auditor General

INFORMATION REQUESTED
by Dr. William Gillis

- a list of additional appropriations in excess of $50,000 that were approved after March 31, 1986.

The Auditor General agreed to provide this information.

Meeting Summary
April 8, 1987

At the invitation of the Chairman, the Auditor General made a brief opening statement.

Members who questionned Mr. Cormier and topics discussed:

Mr. Vincent J. MacLean:

- control mechanisms for MLA expenses
- zero-based budgeting
- the length of time the government could allow its debt to increase and still maintain services
- expenditure controls - Finance or Management Board

Dr. William Gillis:

- provincial retirement plans

Mr. John Holm:

- government office rentals
- changes to Crown Corporation legislation
- additional appropriations

Hon. David Nantes:

- financial monitors to oversee 70% of expenditures outside government control
- increase in teachers' contributions to Teachers' Pension Plan
- departmental hiring of internal auditors
- guidelines for effective management

Mr. Vincent J. MacLean:

- government borrowing on the Japanese financial market
- government issue bonds within the province.

Report of the
Standing Committee on Public Accounts

Meeting Summary
April 8, 1987

Dr. William Gillis:

- government's use of a public accounting firm

Mr. John Holm:

- additional appropriations

- monitoring of the Venture Board

It was agreed that the Auditor General would return next week for further discussions.

The Honourable David Nantes moved adjournment. Meeting adjourned at 10:50 a.m.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 15, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald C. Giffin
Hon. Ronald S. Russell
Hon. G. David Nantes
Hon. Brian A. Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis, Chairman
Hon. Ronald C. Giffin
Hon. Ronald S. Russell
Hon. G. David Nantes
Hon. Brian A. Young
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Mr. John Newell replaced Dr. James MacLean

Mrs. Margaret-Anne Bennett
Secretary

WITNESSES:

Mr. O. Paul Cormier	Auditor General
Mr. Roy Gunn	Deputy Auditor General
Mr. James Butler	Assistant Auditor General

INFORMATION REQUESTED
BY Mr. Vincent MacLean:

- a breakdown for the past 10 years of the escalation of debt at Sydney Steel and a breakdown as to the reasons for the escalation in that period.

Meeting Summary
April 15, 1987

INFORMATION REQUESTED
by Dr. William Gillis

- a breakdown of amounts written off and increases in the reserve for doubtful accounts. (Reference: Statement 19, page 46, Public Accounts, 1986, Vol. 1)

- What percentage of schools in the province have fire coverage and which do not?

The Auditor General agreed to provide information as requested.

Members who questionned Mr. Cormier and topics discussed:

Mr. Vincent J. MacLean:

- Sydney Steel

- Additional Appropriations

Dr. William Gillis:

- Additional Appropriations

- Crown Corporation legislation:
  Reference: p. 56 & 57, Auditor General's Report, 1986

Mr. John Holm:

- Amendments to the Auditor General's Act

- Cash Management Study

- Internal Audits

Hon. David Nantes:

- Change in timing of the Auditor General's Report

Hon. Ronald Russell:

- 1986 Auditor General's Report, Section dealing with Status Prior Years' Observations and Recommendations.

Meeting Summary
April 15, 1987

Dr. William Gillis:

- Legislation relating to the Office of the Auditor General.
- Travel Expenses - Recovery. (Reference: p. 101, Auditor General's Report, 1986)
- Fire insurance on school buildings and contents.

Mr. John Holm:

- Internal Audits: N.S. Liquor License Board and the County Sheriff's operation.

Dr. Gillis thanked the Committee and the guests for appearing.

The Hon. David Nantes moved adjournment.

The next meeting of the Public Accounts Committee will be on April 22, 1987. The guest will be Mr. Peter Outhit of the Nova Scotia Resources Limited.

NOVA SCOTIA RESOURCES LIMITED

During the calendar year, 1987, the Standing Committee on Public Accounts (in conjunction with the Standing Committee on Economic Development) met on three separate occasions with Mr. Peter Outhit, President, Nova Scotia Resources Limited.

First Session-
Wednesday, April 22, 1987

In his opening statement, Mr. Peter Outhit made reference to remarks made in the Legislature on March 31, 1987 by the Hon. Joel Matheson, Minister of Mines and Energy (Hansard, p. 1038). As stated by the Minister, Mr. Outhit indicated that he welcomed the opportunity to make a public presentation on behalf of Nova Scotia Resources Limited. The presentation by Mr. Outhit was to outline the activities, assets and financial position of the Crown Corporation, as well as its corporate strategy for achieving the province's goals in the offshore.

The Committees welcomed such a presentation and asked for a meeting with Mr. Outhit immediately following the public presentation in the event that further questions may arise. A verbal committment was given by Mr. Outhit to accommodate the Committees' request.

Events since the meeting of April 22nd negated these plans. They were:

1) April 23, 1987 -

   Mr. Outhit wrote a letter to the Secretary to the Committee, stating that...

   "in light of a concentration of overlapping off-shore activities...I will not be able to arrange a presentation to the legislative committees separate from the public informational meeting we plan to convene."

2) Discussions between the Chairman of the Public Accounts Committee, Dr. William Gillis, and the Hon. Joel Matheson led to an arrangement whereby the two Standing Committees would meet at 9:00 a.m., June 12, 1987. (Interest groups and the general public would be invited to sit in.) Following a presentation by Mr. Outhit, President of Nova Scotia Resources Limited, the Members of the Public Accounts and Economic Development Committees would be given up to one hour to question the him.

Nova Scotia Resources Limited
...continued

3) May 14, 1987 -

The compromise between Dr. Gillis and the Hon. Mr. Matheson was conveyed to Mr. Outhit in the form of a letter.

4) May 22nd, 1987 -

A letter from Mr. John French, Director, Regulatory and Governmental Affairs, Nova Scotia Resources Limited, put this meeting on hold once again. Mr. French explained, in Mr. Outhit's absence, that the Hon. Marcel Masse was due in Halifax to meet with Mr. Matheson on June 12 and that, due to the unavoidable absence of the Minister, the meeting would be postponed.

It was further stated that Mr. Matheson would contact Dr. Gillis to arrange a mutually convenient future date.

Second Session-
October 28, 1987

In his opening remarks, Mr. Outhit summarized the activities of Nova Scotia Resources Limited since last Spring. He circulated a brief financial statement to the Committee Members.

Discussion again centred on the issue of a public presentation by the President of Nova Scotia Resources. The Chairman of the Standing Committee on Public Accounts was of the opinion that the presentation would be made by Mr. Outhit at this meeting. However, Mr. Outhit did not share this view.

Mr. Outhit agreed to give his presentation on Wednesday, December 2nd, 1987 before a joint meeting of the two committees. Mr. Outhit's presentation, which was to focus

Nova Scotia Resources Limited
...continued

on the activities, assets and financial position of the Crown Corporation, as well as its corporate strategy for achieving the province's goals in the offshore, was scheduled to take approximately 45 minutes.

The Committees would be allocated approximately one hour for questions.

In the period between the October 28th meeting and the December 2nd meeting, several pieces of correspondence passed between the Minister of Mines and Energy, Hon. Joel Matheson and the Chairman of the Public Accounts Committee.

In his letter of October 28th, 1987, the Minister attempted to refute statements made by Dr. Gillis at the October 28th meeting. Dr. Gillis' reply of November 6, enclosed copies of relative documentation, supporting his remarks.

On November 13, 1987, the Minister wrote to Dr. Gillis indicating that the proposed public presentation would not be necessary..."in view of the information we have already made public through our expanded Annual Report and Committee appearances..."

He further noted that..."Mr. Outhit is preparing a presentation to the Committees in graphic form which will further emphasize the fundamental basis of N.S.R.L.'s offshore investments and its key assumptions relating thereto."

Third Session -
December 2, 1987

This meeting was held in Committee Room No. 1 of the recently renovated Committees Office. Members of the Press were in attendance, as was the Minister of Mines and Energy.

Accompanying Mr. Outhit on this occasion was Mr. John French, Director - Governmental & Regulatory Affairs and Mr. Robert MacDiarmid, Treasurer, both of Nova Scotia Resources Limited.

Nova Scotia Resources Limited
...continued

Using graphics, Mr. Outhit made his presentation, which outlined the historical aspects of the industry and focused on the current status and long-range goals of Nova Scotia Resources Limited. During his presentation, he tabled two items, one dealing with the membership of the Board of Directors of Nova Scotia Resources Limited and the other, entitled "Cost of Borrowings". Overall the presentation was well received. Both Mr. MacLean and Mr. Brown, however, indicated their concern that questions on financial statistics, which had been raised many times at previous meetings, still had not been fully addressed.

With regard to the composition of the Board of Directors, Mrs. McDonough expressed concern about two of the members having close associations with the Premier's Office.

Considerable discussion occurred on the topic of Free Trade. Mr. French stated that until further details were provided on the pact, Nova Scotia Resources Limited would reserve judgement.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 22, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis
Hon. Ronald Giffin
Hon. Brian Young
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Mr. Fisher Hudson replaced the Hon. Ronald Russell.
Mr. Gardner Hurley replaced the Hon. David Nantes.
Mr. John Newell replaced Dr. James MacLean.

Mrs. Margaret-Anne Bennett
Secretary

This meeting was a joint meeting with the Standing Committee on Economic Development. In Attendance from that Committee was:

Hon. Greg Kerr
Mr. Donald G. MacLeod
Mr. Greg MacIsaac
Mr. Vincent MacLean
Mr. Guy Brown
Mrs. Alexa McDonough

Dr. Colin Stewart sat in for Dr. Charles MacNeil, Chairman of the Committee on Economic Development.

Summary of Meeting
April 22, 1987

WITNESS:

Mr. Peter Outhit
President and
Chief Executive Officer
Nova Scotia Resources Limited

INFORMATION REQUESTED:

- the Company's Euro-Commercial paper status;
- the preliminary financial position of NSRL as at March 31, 1987;
- any material made available at the public presentation in June.

Mr. Outhit agreed to provide the information as requested.

Members who questionned Mr. Outhit and topics discussed:

Mr. Vincent J. MacLean:

- arrangements between Trans-Canada Pipelines and Sable Gas
- the letter of agreement between Nova Scotia Resources and Trans Canada Pipelines
- Cohasset Project - What is being done to bring it ashore?
- escalation in value of assets how calculated
- what activity to move up production schedule
- exploration attractiveness of Scotian Shelf - connection with NSRL
- coal operations - closed permanently or expectations of starting again

Summary of Meeting
April 22, 1987

Dr. William Gillis:

- repurchase by NSRL of East Coast Energy
- Canada-Nova Scotia offshore petroleum resource accord
- has money been received by NSRL
- percentage of Nova Scotia participation in the Como Well - how much will it cost
- what is share of other partners, PetroCanada and Trillium
- who else has drilling rights on land around Como, around Panuke
- percentage NSRL will have to put up to get Panuke going
- Sulbath - is this a subsidiary of Shell oil
- timing of public presentation
- NSRL completed studies with regard to the Venture Project available at June presentation
- approximate date and time of June presentation
- meeting with Committee afterwards

Mr. John Holm:

- value of assets - sufficient as collateral if not backed by taxpayer
- any companies drilling new wells under new tax credit system, any commitments
- dollars and total commitment invested in gold exploration in Nova Scotia
- shareholders - who are you referring to

Summary of Meeting
April 22, 1987

- Panuke Well - has there been a commitment to drill
- how would that effect Cohasset
- what is NSRL share in Panuke
- cost of oil to make development feasible
- have markets been secured, commitments made to purchase oil and gas, have agreements been signed
- the need for a deputy chairman

Mrs. Alexa McDonough:

- agreement between Sable Gas and Trans Canada Pipelines and NSRL - will issue be addressed at public presentation in June
- plans by Novaco to reactivate any mine activity
- role of PetroCanada in determining rate of offshore development
- would NSRL meet with Committees after public presentation
- who had input into the timing schedule
- impact if PetroCanada privatized
- write-offs of petroleum properties

Mr. George Archibald:

- Cohasset - quality of oil
  - when to be developed

Mr. Guy Brown:

- Novaco - any present plans for coal developments on mainland
- wood chip energy

Summary of Meeting
April 22, 1987

Dr. Gillis thanked Mr. Outhit for appearing before both Committees.

Mrs. Alexa McDonough moved adjournment.

Meeting adjourned at 11:00 a.m.

Summary

STANDING COMMITTEE ON PUBLIC ACCOUNTS

October 28, 1987
9:30 a.m. to 11:30 a.m.
Legislative Chamber
Province House
Halifax

COMMITTEE

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell, C.D.
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent J. MacLean
Mr. John Holm

IN ATTENDANCE

Dr. William Gillis, Chairman
Hon. Ronald Russell, C.D.
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. John Holm

Ms. Dianne M. Stillman
Secretary

WITNESSES

Mr. Peter Outhit
President and Chief Executive Officer
Nova Scotia Resources Limited

Meeting Summary
October 28, 1987

Dr. Gillis opened the meeting, welcomed the Witness and made reference to the presence of a television camera in the Chamber. He then turned the Chair over to Dr. MacNeil.

The Witness made an opening statement, referring briefly to the activities of NSRL since last Spring. He circulated a financial statement entitled, "Offshore Assets and Investment Cost Recovery" to the Committee members.

Questions/Concerns of Committee Members:

Dr. Gillis

- asked Mr. Outhit to expand on the information provided in the information sheet that was circulated.

- sought more details on the borrowing level which increased from $110 Million U.S. to at least $150 Million U.S.

- asked the Witness how much NSRL is paying, on an annual basis in interest costs.

- asked the Witness if he had any concern that he might be more in the money business than the oil business, considering the NSRL policy of borrowing larger blocks of money to get better rates of interest.

- distributed a copy of a letter he had written to Mr. Outhit on May 14th in which he advised Mr. Outhit of the verbal agreement made between himself and Hon. Joel Matheson regarding the format to be used for the public presentation.

- asked the Witness why NSRL has not written down their assets.

- asked about NSRL's net worth.

- asked the Witness if, as stipulated in the new Canada-Nova Scotia Offshore Agreement, legislation had been passed. The Witness noted that legislation was introduced rather than passed.

- asked the Witness for details on the revenue studies carried out on the Venture Project.

Meeting Summary
October 28, 1987

- asked what effect, if any, the stock market downturn had to date on the offshore.

- sought an explanation of the decision to keep the Trans Canada Pipeline/NSRL Agreement (concerning Sable Gas) confidential.

- asked the Witness if NSRL paid any money to INCO for the equity in COREL. What was the cost to NSRL? What was the cost (if any) to the Nova Scotia taxpayers?

- asked how much money will be invested in gold exploration in the current fiscal year.

- asked about the status of the Cohasset Project.

- suggested the Committee discuss and decide on how to proceed with Mr. Outhit's presentation.

Mr. Holm:

- asked the Witness if a write-down of any of NSRL's assets would result in a violation of loan or financial agreements that are in place with the company.

- asked if the current stock market situation had any effect on NSRL's interests.

- Re: the Trans Canada/NSRL Agreement ...asked if the Witness had raised the issue with the government and if he was now prepared to give the Committees details on that agreement; and, that he clarify his response that the decision not to release this information was taken by the companies and not by the government.

- asked the Witness to indicate very clearly, within what timeframe, he would be prepared to hold a public presentation concerning Nova Scotia Resources Limited.

- asked the Witness if the timetable for Cohasset to come on stream is still late 1989 to early 1990, and further, how many years it will be before NSRL will have recovered its investment in the offshore.

Meeting Summary
October 28, 1987

Hon. David Nantes

-stated that "this Committee agreed last Spring to the kind of meeting that Mr. Outhit was suggesting".

Mr. Guy Brown

- expressed his view that the people of the province have the right to know what is being done with their money.

- asked if NSRL has invested in gold mining operations in Nova Scotia and if the company anticipates doing so.

- asked if INCO has any offices in Nova Scotia.

- asked if NSRL is involved in any other mining operations in this province.

- asked if NSRL or Novaco have considered investing in strip or deep coal mining operations in Cumberland County; and if Novaco has been involved with any independent mining.

- asked if Novaco operations are declining and will eventually close out.

- with regard to Free Trade, asked the Witness if NSRL or Novaco have investigated the effect on coal mining; or, if any government studies had been done in this regard.

- asked if NSRL had done anything in the past 6-8 months with regard to wood chip generation; and if it is prepared to look at proposals from Towns of Antigonish and Parrsboro.

Next Meeting:

It was agreed that the next meeting would be held on Wednesday, December 2nd at 9:30 a.m. with the following agenda:

1. Presentation by Mr. Outhit - approx. 45 minutes
2. Questions by Committee - approx. 1 hour

Meeting Adjourned: 11:24 a.m.

Summary

STANDING COMMITTEE ON PUBLIC ACCOUNTS

December 2, 1987
9:30 a.m. to 11:30 a.m.
Legislative Chamber
Province House
Halifax

COMMITTEE

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell, C.D.
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent J. MacLean
Mr. John Holm

IN ATTENDANCE

Dr. William Gillis, Chairman
Hon. Ronald Giffin, Q.C.
Hon. Ronald Russell, C.D.
Mr. Vincent J. MacLean
Mr. George Archibald
Mr. John Holm

Ms. Dianne M. Stillman
Secretary

Note: This meeting was jointly held with the Standing Committee on Economic Development. In attendance from that Committee were

Dr. Charles W. MacNeil, Chairman
Mr. Greg MacIsaac
Mr. Donald G. MacLeod
Mr. Vincent J. MacLean
Mr. Guy Brown
Mrs. Alexa McDonough

Meeting Summary
December 2, 1987

WITNESSES

From Nova Scotia Resources Limited:

Mr. Peter Outhit
President and Chief Executive Officer

Mr. John French
Director - Governmental and Regulatory Affairs

Mr. Robert MacDiarmid
Treasurer

Dr. Gillis opened the meeting, introduced the witnesses and turned the Chair over to Dr. MacNeil. Dr. MacNeil invited Mr. Outhit to make his presentation.

Using the time allotted (45 minutes), Mr. Outhit gave a detailed presentation, with the aid of graphics, which summarized the goals and current status of Nova Scotia Resources Limited.

Questions/Concerns of Committee Members:

Mr. Vincent J. MacLean:

- asked about the present total debt of Nova Scotia Resources Limited.
- asked for an appraisal of the current assets of Nova Scotia Resources Limited.
- asked for the estimated date that the company will be taking oil from Cohasset; and when this project is brought on, the estimated debt of the company.
- asked for figures relating to payments made to the government of Nova Scotia in the form of royalties on Cohasset or Panuke.
- asked for confirmation of the high quality of the oil taken from Panuke; an explanation of the choice of a refinery in Quebec, rather than Nova Scotia.

Meeting Summary
December 2, 1987

- asked what multinationals are involved in the projects; and the reasons they appear to be 'dragging their feet' in bringing in Cohasset, if, as indicated, the revenues are good.

- re market study on utilization of gas - amount, if any, allocated to the generation of electricity.

- re New England market: if the western Canadian market was considered as viable competition; asked for comparison of costs between western market and the Venture project.

Mr. Guy Brown:

- in reference to the net debt of $123 million, and the gross debt, suggested to the witnesses that the assets of Nova Scotia Resources must be about $17 million and asked for a breakdown of that figure in terms of cash and receivables as well as the sources of those receivables.

- asked for the guidelines of the technical task force which has been set up for the development of Cohasset including cost evaluations; noted that the figures, as given by Mr. Outhit this morning could vary by as much as 20-30 percent.

Dr. William Gillis

- asked what position N.S. Resources Ltd. would take if offered an opportunity to participate in the Georges Bank development.

- asked about the location of the anticipated terminus of an offshore pipeline in relation to the Mobil/Venture Impact Study which indicated Mulgrave and the Strait of Canso; according to Mr. Outhit's presentation, however, the proposed terminus is now Sheet Harbour.

- asked how N.S. Resources perceives the problem of fluctuating foreign exchange rates as they pertain to interest costs to the company.

Meeting Summary
December 2, 1987

- asked about N.S. Resources' view regarding the high cost of developing small fields.

- asked when distribution rights for natural gas production will be granted.

- asked at what point, the company would find itself in financial difficulty, given the uncertainties of the international markets and stock markets; if there is concern about the recent drop of the world price per barrel of oil.

- asked what impact the western Canadian gas market will have on the offshore.

- asked when the Canada-Nova Scotia Offshore Agreement will be dealt with in Ottawa; clarified a point raised at the last meeting.

Mrs. Alexa McDonough:

- requested photocopies of the graphics used in Mr. Outhit's presentation.

- re: the composition of the NSRL board...

  1) suggested that the presence of two members who have close ties to the Premier's Office could arouse skepticism and asked Mr. Outhit if he agreed. She then tabled it as a concern.

  2) asked why the Deputy Ministers of Mines and of Development were removed from the board; and

  3) questionned Mr. Outhit as to whether or not the members of the board are required to declare their financial interests in other oil companies.

- asked for comments on "the likely impact of the Free Trade Agreement with respect to likely favouring of relocation to American sites for refining purposes"; and if, under the Free Trade Agreement, we would be free to

purchase the output of NSRL's successful investments at a price that would be lower than the export price to the U.S.; and further, asked Mr. Outhit if he felt the provincial government should commit itself to this Agreement without the benefit of more information.

Mr. John Holm:

- asked whether any agreement had been made with the company's partners on the construction of the necessary apparatus being done here in Nova Scotia; asked about employment prospects for Nova Scotians.

- asked for photocopies of the graphics used by Mr. Outhit in his presentation.

Hon. Ronald Russell:

- drilling prospects...asked if they are delineation wells and how many in 1988; if there is any more delineation drilling on Cohasset or Panuke; if one of the holes presently there can become a production hole; and the type of rig used.

- asked about production and development costs when comparing Hibernia to Cohasset; and how developmental decisions are made.

- asked about the market for natural gas in the Atlantic Provinces; and the necessity for developing a New England market.

Dr. MacNeil thanked the witnesses for attending.

Meeting adjourned: 11:43 a.m.

NOVA SCOTIA POWER CORPORATION

On Friday, May 1, 1987, representatives of the Nova Scotia Power Corporation appeared before a joint meeting of the Standing Committee on Public Accounts and the Standing Committee on Economic Development.

Mr. Louis Comeau, President and Chief Executive Officer, distributed to the Committee a Report which made reference to the Corporation's finances, productivity and its committment to the environment.

Despite assurances by Mr. Comeau that research has shown Nova Scotia to be in a competitive position in the area of exporting energy to the United States, some members of the Committee had misgivings. Given the fact that this province does not produce cheap energy, together with the high cost involved in the transport of energy to the United States (i.e. the submarine cable, to link Nova Scotia with the State of Maine, has an estimated cost of $900 Million), they found it difficult to see Nova Scotia competing on par with other producers, such as Hydro Quebec.

During discussion on land acquisitioned by the Nova Scotia Power Corporation, it was noted that a parcel of land in the Antigonish area was purchased for the sum of $500,000 (agreed to in an out of court settlement). The owner of the land at that time was a Mr. Webb who purchased it in 1977 for the sum of $200,000 and concern was expressed over what appeared to be an exaggeration of its value. Mr. Comeau was asked to provide the Committee with copies of the two appraisals which were done on this property. He advised the Committee that this request would have to be cleared through the Corporation's legal advisors.

The Nova Scotia Power Corporation projects that over a period of thirty years, coal production in Pictou County will yield in the area of .75 million tons per year and will be sufficient to meet the needs of the Trenton Plant; further that this will not adversely effect Devco since another plant is to be installed at the Strait of Canso and with the upgraded fluidized bed technology, their supply from Devco will continue to increase.

The Corporation feels it has taken a responsible approach to the protection of the environment, in that they have recently expended approximately $6 Million in an effort to reduce emissions and improve operating efficiency in all their

Nova Scotia Power Corporation
...continued

thermal generating plants. As well, they have researched the viability of fluidized bed combustion technology which dramatically reduces sulphur emissions and have approached the federal government for the necessary funding.

Questionning focused on the management of the Rate Stabilization Fund. Mr. Comeau reported that the current balance of the fund was $ 12 Million which will be used to offset the 1987 operating loss. Although the Corporation intends to go before the Public Utilities Board next year, they are unsure how much of an increase will be required. They maintain, however, that over the ten year period, 1985-1995, their objective is to keep the rate of electricity at 80% of the CPI over the same period.

The Corporation is experiencing staff shortages, i.e. linesmen and steam plant operators, and is working in conjunction with the Department of Vocational and Technical Training on programs designed to accommodate these needs.

Summary

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, May 1, 1987
Legislative Chamber - Province House

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent J. MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis
Hon. Ronald Russell, C.D.
Mr. Vincent J. MacLean

Mrs. Margaret-Anne Bennett
Secretary

This meeting was jointly held with the Standing Committee on Economic Development. In attendance from that Committee was:

Dr. C. W. MacNeil, Chairman
Mr. Donald G. MacLeod
Mr. Greg MacIsaac
Mr. Vincent J. MacLean
Mr. Guy Brown
Mrs. Alexa McDonough

WITNESSES:

Representing the Nova Scotia Power Corporation:

Mr. Louis Comeau
President and
Chief Executive Officer

Mr. R. C. Fraser
Vice-President and
Chief Financial Officer

Meeting Summary
May 1, 1987

Mr. L. J. Sweett
Vice-President,
Consumer Affairs

Mr. G. D. Lethbridge
Vice-President,
Engineering and Production

Mr. T. F. MacDonald
Vice-President,
Planning

INFORMATION REQUESTED

- copies of the two appraisals done on Mr. Webb's property in Antigonish (Mr. Comeau will clear this request through the Corporation's legal advisors.)

- the price of the Point Tupper boiler (Combustion Engineering)

- the names of the bidders and bids made on the Point Tupper project

- details on rented vehicles and their leasing agents

- anticipated staff shortages over the next three years in all areas of staffing

- the number of persons hired from outside the province over the past two years and their job titles

The Chairman, Dr. C. W. MacNeil, welcomed the Witnesses and invited Mr. Comeau to make an opening statement.

Mr. Comeau based his remarks on a booklet which was circulated to Committee Members and dealt with the Corporation's finances, productivity and committment to the environment.

A general discussion and question period followed Mr. Comeau's presentation. Some of the concerns raised were:

Dr. William Gillis:

- the balance of the Rate Stabilization Fund as of April 1, 1987.

Meeting Summary
May 1, 1987

- estimated profit or loss for the 1986-87 fiscal year.

- names of major contractors that submitted bids on Phase 1 of the Point Tupper conversion, their bids and the name of the successful bidder.

Mr. Vincent J. MacLean:

- when the Corporation will be going to the Public Utilities Board for another rate increase and what percentage increase will be requested (80% of the consumer price index?).

- once the rate stabilization is gone, will there be any further rate stabilization?

- the number of barrels of oil and tons of coal that were used to generate electricity this year and last year.

- the cost of a submarine cable from Nova Scotia to Machias, Maine.

- the method to be used in transporting 400,000 tons of coal per year to Port Hawkesbury.

Mr. Guy Brown:

- the number of out of court settlements made by the Power Corporation regarding land acquisitions and complaints per year.

- the settlement made between the Nova Scotia Power Corporation and and a Mr. Webb in Antigonish in the acquisition of land for a new power line; and, a confirmation that the price was $500,000 and details of the sale.

- the number of people hired from outside the province of Nova Scotia in the past two years and their positions.

Mrs. Alexa McDonough:

- problem associated with a fluidized bed process being installed in the new Trenton generating plant; projections for the use of Pictou County coal in the Trenton plant; and, what alternatives are planned if Pictou County coal is not developed.

Meeting Summary
May 1, 1987

- the export of energy to the United States; proposed sites of a third or fourth generating plant (Glace Bay?) to produce this energy; and what negotiations are underway.

- the enclosure of forms/notices, prepared by the Department of Health, in power bills.

- public hearings on the question of exporting energy to the United States.

Mr. Donald G. MacLeod:

--investigations carried out by NSPC on the fluidized bed boiler and their plans if there is a delay in acquiring funds for it; once the decision is made to build a circulating fluidized bed (cfb) plant, the government's intent for it to be built in Glace Bay where last summer maintenance was carried out at a cost of $0.5 Million.

Mr. Greg MacIsaac:

--other sites for the fluidized bed process (Point Tupper?).

- the use of an existing sites rather than new ones, in an effort to economize.

Hon. Ronald Russell:

--the development and cost effectiveness of a small hydro facility as opposed to a coal generation plant; and, the most economical form of energy (hydro?).

The meeting adjourned at 10:01 a.m.

SYDNEY STEEL CORPORATION

Representatives of the Sydney Steel Corporation appeared before a joint meeting of the Standing Committees on Public Accounts and Economic Development on April 29, 1987. Discussion ensued on many topics ranging from profit and loss figures, future projections in tonnage, employment figures and Phases II and III of the modernization plan.

The 1986 Report of the Auditor General attributed the high losses experienced by Sydney Steel in 1986 primarily to a marked decrease in domestic rail shipments... "Sales to Canadian National Railways were at their lowest level in recent years" (p.63).

Mr. Cochrane, when questionned about the status of the agreement with Canadian National, commented that the agreement calls for approximately 80% of the requirements that can be made by Sydney Steel to be placed with Sydney Steel. He noted, however, that 80% could not be converted to tonnage as Canadian National "do not know what their requirements are from year to year". This, in Mr. Boutilier's view, leads to the conclusion that Sydney Steel must ensure that the international markets are substantial enough to support any slack CN might leave from year to year.

According to the Auditor General's Report (p. 67), the Corporation must consistently sell more than 50% of its production in the international market. There are about 25 rail mills competing for a share of this market and Japan is in competition with Sydney Steel for a share of the Canadian Market. Mr. Boutilier stated that Sydney Steel must be flexible enough to meet possible changes in specifications and feels that the head hardening process acquired when Phase II is complete, as well as the provision for a universal mill, will put the Corporation in a more competitive position.

In reply to a question from the Hon. Brian Young, Mr. Boutilier told the Committee that both modernization phases should be completed by early 1990 and that this should lead to an increase in the number of people working at the facility.

Sydney Steel Corporation
...continued

The Auditor General, in referring to the debt of Sydney Steel, stated that "the current debt of $430 Million cannot be serviced or retired by Sydney Steel Corporation. It is a sunk cost attributable to prior years' losses and the full cost of interest on it and retirement of it must be borne by the Province" (p. 67). Although agreeing in principle with this statement, Mr. Cochrane could not give further information regarding a possible federal request for the Province to assume this debt.

UNITED STEEL WORKERS OF AMERICA - LOCAL 1064

On April 29, 1987, immediately following discussions with the Sydney Steel Corporation, the Committees (Public Accounts and Economic Development) met with representatives of the United Steel Workers of America - Local 1064.

Both Mr. MacLean and Ms. McDonough asked Mr. Callaghan, President of the Local, for his comments on the business plan presently before the Hon. Michel Cote in Ottawa. It is Mr. Callaghan's considered opinion that the plan which was agreed to in February 1986 is the one that should be in Ottawa now. The Union, however, has been unable to find out, through the consultative process, if this is the plan under consideration or whether modifications have been made of which the Union is not aware. He told the Committee that he would attempt to get answers to their concerns in this and other areas when he met with the Premier later this same day. He stated that rumours regarding gross inaccuracies in the business plan and other issues such as pensions made it necessary for the Union to hire Peter Warrian to provide their members with research and expertise.

One area of ongoing concern for the Union appears to be the absence from the management team of an individual who, in their opinion, is competent in the steelmaking end of the operation. A works manager with overall competence in all areas of operation has been requested by Local 1064 for over one and one-half years.

The Union's primary concern, however, remains in getting the modernization going and in maintaining or increasing their employment figures. On questionning from the Hon. Brian Young, Mr. Callaghan agreed that the modernization plan, when put in place, would make Sydney Steel competitive with anybody in the world market, would increase employment levels; and would stabilize the workforce on a year round basis.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, April 29, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. Vincent MacLean
Mr. John Holm

Mr. Jack Coupar replaced Mr. George Archibald

Mrs. Margaret-Anne Bennett
Secretary

Note:

Today's meeting was a jointly held with the Standing Committee on Economic Development. In attendance from this Committee were:

Dr. C. W. "Chuck" MacNeil
Hon. Edmund Morris
Hon. Greg Kerr
Mr. Donald MacLeod
Mr. Vincent MacLean
Mrs. Alexa McDonough

Mr. Alex MacIntosh replaced Hon. George Moody

Meeting Summary
April 29, 1987

WITNESSES:

Sydney Steel Corporation-

Mr. E. Boutilier	President
Mr. M. Cochrane	Chairman of the Board
Mr. R. Skinner	Secretary/Treasurer

United Steel Workers of America (Local 1064)-

Mr. John Callaghan	President
Mr. Benny O'Neill	
Mr. Clifford Boutilier	

INFORMATION REQUESTED by Dr. William Gillis

From: Sydney Steel Corporation - a copy of the 1986/87 audited statement

Mr. Boutilier agreed to provide the Committee with this statement.

Members who questionned Mr. Boutilier and topics discussed:

Mr. Vincent J. MacLean:

- present status of agreement with CN
- head-hardening process and equipment
- orders now on the books
- timeframe for next phase of modernization:
  ..Federal obstacles to go ahead
- Board of Directors of Sydney Steel; meetings, composition of, quorum, attendance, remuneration
- short-term borrowing/total debt
- who handles negotiation process on behalf of Sydney Steel

Meeting Summary
April 29, 1987

Dr. William Gillis:

- sales, profit or loss and loss figures for the last fiscal year.

Mrs. Alexa McDonough:

- Phase II - viability without Phase III:
  ...project costs sufficient for completion
  ...breakdown of costs in terms of allocation
  ...project management - SNC/DRAVO
- universal mill
- Phases II and III - target for completion

Hon. Brian Young:

- numbers presently employed and projected numbers
- tonnage and projections
- current orders - traditional or non-traditional markets
  ...secured on competitive open market basis
- projections on competitive pricing
- head-hardening process - undertaking to procure same
- future co-operation - CN and Sysco - to work on new product development
- debt - provincial government agreed with Federal government to assume this
- reasonable checks and balances on on-going basis

Mr. Alex McIntosh:

- sales representatives securing orders
- operation and other plans moving on schedule

Meeting Summary
April 29, 1987

Mr. John Holm

- reasonable projection of work-force after Phases II and III

The Committee completed their questioning of Mr. Boutilier, Mr. Cochrane and Mr. Skinner and thanked them for making the trip.

Questioning resumed with representatives from the United Steel Workers of America, Local 1064.

Mr. Vincent J. MacLean:

- tar ponds - how many jobs
- consultative process with management
- plan presently before Hon. Michel Cote
- employment numbers with modernization
- contracting out of projects - will Local 1064 be doing work
- representation of Local 1064 on Sysco Board of Directors
- who has steel expertise on management team
- safety record and pension activities
- diversification of Sysco
- who calls the shots re Sysco

Mrs. Alexa McDonough:

- business plan before Hon. Michel Cote - was union fully briefed
- SNC/Dravo - are they competent to do job
- $157 Million for modernization - feasible figure to do job in union view

Meeting Summary
April 29, 1987

- universal mill - realistic time-table

- union views regarding:
  ...free trade
  ...privatization of Sysco

Hon. Brian Young:

- unions able to get answers from Premier

- increased competitiveness and job possibilities with modernization

- rumours in plant - union say they need better access to information

Mr. Alex McIntosh:

- role of steel expert in overall operation of plant

Dr. Gillis thanked the guests for appearing before the Committee.

A Vice-Chairman was elected. Dr. Gillis recommended Mr. George Archibald, M.L.A., last year's Chairman. Unanimously accepted.

Meeting adjourned at 11:00 a.m.

HALIFAX-DARTMOUTH BRIDGE COMMISSION

Questions by Committee members to representatives from the Halifax-Dartmouth Bridge Commission on May 6, 1987 centered largely on the debt of the Commission and possible plans to retire this debt.

In discussions concerning offshore financing vs. conversion to Canadian dollars, the Commission explained how it has been possible to have lower debt servicing charges with Swiss francs than if the debt had been switched to Canadian funds. On the other hand, Dr. Gillis wondered about the total debt of the Bridge Commission; since 1969 the debt of the Commission has tripled.

Mr. Holm was interested in whether the Commission had looked at selling to the public in Nova Scotia a bond issue to cover the cost of the debt. Again, the Commission explained how and why, in the opinion of the Commission and the Executive Committee, they should stay where they are - in offshore financing.

Concern over the flow of traffic between Halifax and Dartmouth was expressed in questions relating to an extra lane for the Macdonald Bridge, condition of the bridges and possible changes to the fare structure.

The Hon. David Nantes was interested in whether the Bridge Commission had held discussions on the creation of an integrated, regional transportation authority that would deal with the bridges, computerized traffic lights, the ferries and Metro Transit. The Commission expressed their willingness to co-operate if studies showed that such an authority was the most efficient way to solve the traffic concerns of the Halifax-Dartmouth area.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, May 6, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Mrs. Margaret-Anne Bennett
Secretary

WITNESSES

Halifax-Dartmouth Bridge Commission:

Mr. Reg Prest	Chairman
Mr. Basil Gordon	Secretary
Mr. Ken Munro	Comptroller
Mr. Jerry Kay	General Manager

INFORMATION REQUESTED by Dr. William Gillis

- Report by Touche Ross & Co. re finance costs of the Halifax-Dartmouth Bridge Commission

Mr. Prest agreed to submit this report to the Committee.

Meeting Summary
May 6, 1987

The meeting began with discussions concerning a schedule change for the following week. It was finally decided to meet with Mr. Eric Lavers of the Tax Commission and reschedule the Teachers' Pension Commission and the provincial superannuation group for the following week.

Members who questionned Mr. Prest and topics discussed:

Mr. Vincent J. MacLean:

- current financial position regards to debt as of March 31, 1987
- possible changes in fare structure
- additional approaches or another bridge
- what shape bridges are in
- plans to retire debt

Dr. William Gillis:

- switching debt to Canadian dollars

Mr. John Holm:

- dollars offshore in debt servicing
- a Nova Scotia bond issue to cover cost of debt
- liability insurance - any difficulties getting insurance or any rate increases.

Hon. David Nantes:

- possibility of an integrated regional transportation authority to deal with bridges, computerized traffic lights, the ferries and metro transit.

Mr. John Holm moved adjournment. Meeting adjourned at 10 a.m.

PROVINCIAL TAX COMMISSION

In response to concerns relating to arrears tax payments, representatives of the Provincial Tax Commission were invited to appear before the Standing Committee on Public Accounts on Wednesday, May 13, 1987.

In his opening statement, Mr. Eric Lavers, Provincial Tax Commissioner, clarified the situation with regard to what appeared to be a substantial amount of uncollected health services tax. He explained that the $12 Million figure was actually comprised of four components - one of which was $3.67 Million - the actual amount of the tax that was collected and not remitted. Given that the audit effort is a four year cycle and that the revenue collected for that cycle was $1.8 Billion, this puts the amount of taxes collected and not remitted at a ratio of two-tenths of one per cent of total revenues. On a question from the Hon. Ronald Giffin, Mr. Lavers stated that "historically, the ratio of receivables to revenue goes from 1.8% to 2.0%".

Many other topics were discussed. Mr. McLean raised the issues of: 1) the increase in accounts over $1,000; 2) the situation whereby native people bought tax free cigarettes for resale; and 3) procedures for recommendations to the Minister of Finance with regard to accounts in difficulty. Mr. Lavers was able to estimate that about twenty accounts per year would go to the Minister's desk for approval before final action would be taken by the Tax Commission. He advised the Committee that the Minister has not varied any of the recommendations made by him in his term as Tax Commissioner since July 1986.

Concerns raised by Mr. Holm included: 1) the tax audit cycle of the Commission; 2) tax exemptions on safety equipment; and 3) the response of the Department of Finance to recommendations on banking arrangements in the 1986 Report of the Auditor General (P.84) which indicate that such decisions should be based upon a more formal and thorough cost-benefit analysis. They also indicate a greater need for more formal procedures for reviewing and assessing banking arrangements. In response, Mr. Manuel advised that the Department of Finance does follow tendering processes when looking for a new service. He further stated that most banks provide services on a similar cost basis and that the Department follows a policy of dealing with all major financial institutions rather than concentrating their business with one bank.

Provincial Tax Commission
...continued

Dr. Gillis requested a breakdown in the amount the Tax Commission has anticipated will be collected, as a result of recent increases in taxation on clothes and cigarettes and from energy conservation changes. Referring to recent figures showing an increase (31% in 1987 over 1986) in vendors in arrears, Dr. Gillis asked if this didn't appear to be a pretty substantial increase. Mr. Lavers stated that this was due, large part, to delays in the process which have occurred due to staff shortages. He also indicated that audits had increased by 216 resulting in a larger input.

Summary

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, May 13, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Mrs. Margaret-Anne Bennett
Secretary

WITNESSES:

Mr. A. G. Manuel
Deputy Minister
Department of Finance

Mr. Eric Lavers
Provincial Tax Commissioner

INFORMATION REQUESTED by Mr. Vincent J. MacLean:

- a letter from Mr. Manuel indicating what the province has recovered from the debt owing by Mr. Malcolm MacKay.

Meeting Summary
May 13, 1987

The meeting began with a discussion concerning a letter sent to the Committee from Mr. Peter Outhit, Nova Scotia Resources Limited, dated April 23, 1987, in which he stated he would be unable to schedule another meeting with the Committee in June as agreed to at the meeting of April 22. After a brief discussion, it was decided that Dr. Gillis would choose a date and ask Mr. Outhit to appear as previously agreed.

Mr. Lavers made an opening statement prior to questions from Committee members. This statement concerned the four major components that make up the amount of taxes owing the province as of March 31, 1987.

Concerns and questions raised by Committee members:

Mr. Vincent J. MacLean:

- why an increase in the number of accounts over $1000.
- why extra accounts are increasing and prosecutions decreasing.
- delay by the Tax Commission in dealing with situation of native people buying tax free cigarettes for resale.
- MLA's or Cabinet Ministers in last five years in arrears or owing Health Services Tax.
- why province can't publish names of people in arrears.
- where 14% increase in revenues from the Health Services Tax Act will come from.
- right of province to confiscate the pension of any employees, MLA's or Cabinet Ministers.
- recommendations to Minister re accounts in difficulty.

Mr. John Holm:

- number of tax audits each year.
- how often companies are audited.

Meeting Summary
May 13, 1987

- number of companies not audited within the four year cycle
- observations of Auditor General with respect to depositing practices, etc.
- concerns of Auditor General in recent report - plans to rectify them.
- tax exemptions for equipment purchased by a business or industry for safety reasons.
- "double taxing" on cars brought into Nova Scotia and re-registered.

Hon. Ronald Giffin:

- total sales tax revenue for year ending March 31, 1987.
- ratio of receivables to revenues - historical pattern.

Hon. David Nantes:

- ministerial direction, suggestions, regarding companies who owe taxes.
- percentage of accounts that would eventually have ministerial involvement.

Hon. Ronald Russell:

- why province is tenth in line for collection of debts in a receivership or bankruptcy situation.
- length of time province carries an account as a receivable before it is written off.
- ideal number of auditors for Tax Commission to keep on genrating more revenue.
- number of accounts over $10,000 that would fall into ca tegory of sales tax collected but not remitted.

Meeting Summary
May 13, 1987

- timeframe on accounts before they reach desk of Tax Commissioner.

Dr. William Gillis:

- ballpark figures on taxes expected from recent increases announced in tax on clothes and cigarettes and from energy conservation changes.

Dr. Gillis thanked the guests and the Committee and adjourned the meeting at 11:00 a.m.

TEACHERS' PENSION COMMISSION

When members of the Teachers' Pension Commission appeared before the Committee on May 20, 1987, many of the Committee's concerns were addressed to Mr. Bruce MacDonald, Actuary of the Teachers' Pension Fund. Questionning related to comments and recommendations made by the Auditor General in his 1986 Report, which were, in turn, based on the actuarial valuation of the Fund released in October 1986.

Commenting on the actuarial study itself, the Auditor General's report noted that the 27 month period between the effective date of the valuation and the completion of the report is too long - a consequence of an inappropriate pension accounting and information system used to generate data (p. 120). Mr. Jack, responding to a question on this issue by Mr. MacLean, commented that in the preparation of future reports, this problem should be alleviated as the procedure would in future be done on a computerized information system rather than a manual one. Mr. MacDonald further commented that this new system should result in these reports being completed in three year rather than five year intervals, as the data will be more easily obtained. This three year interval was also recommended by the Auditor General.

The main line of questionning centered around the large and growing unfunded liability in the Teachers' Pension Fund.

The Auditor General, in his report, gave two main reasons for this growth: 1) the interest cost of carrying the unfunded liability; and 2) contributions to the fund are not sufficient to meet the benefits currently being earned. He recommended, as one means of freezing the liability, that payments be made into the fund that are equal to the interest that could be earned on the amount of the unfunded liability. He further recommended a 7% increase in total contributions to pay for benefits presently being earned.

The Auditor General's recommendations concerning the unfunded liability were discussed with representatives of the Teachers' Pension Commission. Although the unfunded liability situation is not considered a case for panic, there is concern that costs may well be passed on to future generations of taxpayers. Mr. MacDonald told Committee members that recommendations contained in the actuarial report concerning freezing the liability have been brought to

Teachers' Pension Commission
...continued

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the attention of the Minister and the Government. He further stated that this issue is being studied by the Commission at present and a report and recommendation is expected to be made to the Minister of Education and the Nova Scotia Teachers' Union within a short period of time. Members of the Committee expressed interest in the study and requested that copies be made available to them.

Mr. McCarthy informed the Committee that it was the policy of the Nova Scotia Teachers' Union Council, the Government and, consequently, the Commission, that benefits earned be paid for. In referring to last year's benefit increase, he noted that although he could not announce that this would be met with increased contributions, procedures were in place which would provide for this to happen.

Mr. Holm inquired about alternative measures that could be taken to reduce the liability rather than to increase teachers' contributions. Mr. MacDonald made reference to other means such as reduced benefits and increased investment income.

The Hon. David Nantes asked if, in dealing with other pension plans, agreements for pension benefits/contributions are incorporated into the negotiating process and further, whether this could be done in negotiation with the teachers' pension group. Mr. MacDonald advised the Committee that this was indeed the practice with other groups and the suggestion to handle teachers' contract negotiations in the same manner "makes good sense".

The meeting continued with representatives from the Department of Finance, Public Service Superannuation Plan.

PUBLIC SERVICE SUPERANNUATION PLAN

Representatives from the Public Service Superannuation Plan appeared before the Committee on Wednesday, May 20, 1987 immediately following the group from the Teachers' Pension Commission. Questionning from Committee members touched on such topics as outside investment advice, public service employee input on investment decisions, and the purchase of Government and Nova Scotia Power Corporation Bonds. The unfunded liability of the Plan was not an issue as the Auditor General, in his 1986 report, made reference to the fact that there had been a fairly significant improvement in this area in recent years. He also noted that contributions to the Plan exceed the costs of benefits being earned.

Replying to questions regarding outside investment advice, Mr. Manuel named Confed Investment Counselling Ltd. as the asset mix consultant and advisor to the Investment Committee. The four professional money managers of the equity portfolio are from Confed Investment Counselling Ltd., E. J. McConnell and Associates Ltd., Montreal Investment Management, and Jareslowsky, Fraser and Company Ltd. On a question from the Hon. David Nantes, Mr. Manuel told the Committee that the investment strategy followed by the Investment Committee was one that adhered to the advice of that group of four firms.

Mr. Holm asked Mr. Manuel whether government employees are regularly informed as to where their pension funds are invested. He also asked whether there had been any thought given to providing a process whereby employees could have input into investment decisions. Mr. Manuel stated that, although detailed information on investments was not provided on a regular basis, it could certainly be made available to the NSGEU upon request.

With reference to membership on the Investment Committee, Mr. Manuel stated that, although there were no representatives from the NSGEU on the Committee, a recent expansion of representation included the Deputy Minister of Management Board who is responsible for the Civil Service Commission. Dr. Gillis asked if the members of the Investment Committee would consider asking the President of the Nova Scotia Government Employees' Union to sit on that Committee in light of the fact that the Chairman of the Teachers' Pension Commission was a member and that committee representation was widening. Mr. Manuel replied that, although the question had not been addressed, it could be raised.

Public Service Superannuation Plan
...continued

Mr. MacLean requested information on the amount invested from all pension funds in Nova Scotia Government Bonds and Nova Scotia Power Corporation Bonds. According to Mr. Manuel, approximately 30% of the portfolio of $1.3 Billion was invested in these areas.

SUMMARY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, May 20, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Mrs. Margaret-Anne Bennett
Secretary

WITNESSES:

Teachers' Pension Commission:

Mr. G. J. McCarthy	Chairman
Mr. R. W. Jack	Commission Secretary
Mr. B. MacDonald	Actuary

Public Service Superannuation Plan:

Mr. A. G. Manuel	Deputy Minister of Finance
Mr. G. Sturdy	Manager

Meeting Summary
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INFORMATION REQUESTED by Dr. William Gillis:

- the Pension Commission study on ways to reduce the unfunded liability, AND

- the one-time figure and the ball park figure of the impact on the Consolidated Fund of the special early retirement programs that have been in effect over the past several years.

INFORMATION REQUESTED by Hon. David Nantes:

- an analysis on the cost-savings in various departments as a result of the early retirement plans.

Both Mr. McCarthy and Mr. Manuel agreed to provide this information.

The Chairman opened the meeting and invited Mr. McCarthy to make an opening statement.

Questions and concerns raised by members:

Mr. Vincent J. MacLean:

- rate of return the fund is generating.

- length of time required to get necessary data for evaluation.

- how often respective school boards pay their contributions.

- unfunded liability:
  ...why it is growing
  ...what impact recent changes in the teachers' pension fund will make to this unfunded liability.

- Auditor General's recommendations re increase in total contributions.

Meeting Summary
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Dr. William Gillis:

- recommendations to Minister and to the government re freezing the unfunded liability as outlined in the Actuarial Report.

- recommendation in Actuarial Report re "not granting any improvement in benefits without an increase in contribution rates".

- recommendation of Auditor General that frequency of evaluations be cone in three year intervals.

- cash flow study

Mr. John Holm:

- level of unfunded liability in 1987

- other approaches that could be taken to reduce the unfunded liability aside from an increase in teachers' contributions.

- study on ways to reduce the unfunded liability - when it will be in the hands of the government and NSTU.

Hon. David Nantes:

- whether future agreements in level of pension contributions, percentage of contribution employer/employee should be agreed upon as part of the negotiations rather than after negotiations.

Dr. Gillis thanked the representatives from the Teachers' Pension Commission for their appearance.

Dr. Gillis welcomed Mr. Manuel and Mr. Sturdy from the Department of Finance, Public Service Superannuation Plan.

At the invitation of the Chairman, Mr. Manuel made a brief opening statement.

Meeting Summary
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Questions/concerns raised by Committee members:

Mr. Vincent J. MacLean:

- rate of return for the period to the end of 1985.
- investment advice from outside counsel - who is consulting firm.
- numbers of individuals that took early retirement last year
  ...were they replaced
  ...similar program this year
- combined assets of all pension funds presently being managed
- how much of that invested in either Nova Scotia Government Bonds or Nova Scotia Power Corporation Bonds.

Dr. William Gillis:

- what companies are advisors in investments in stock market.
- members on the Investment Committee.
- any consideration given to adding a representative from NSGEU.

Mr. John Holm:

- whether government employees are regularly informed as to where the monies in the pension fund are invested.
- possibilities if input on investment from employees - advisory committee.
- what steps taken to give them greater input on the pension commission.
- are pension benefits a negotiable item with the NSGEU
- could NSGEU get information on investments if asked for.

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Hon. David Nantes:

- adherence to investment advice from outside group of four firms.

Dr. Gillis thanked the members of the Public Service Superannuation Plan for coming.

The meeting adjourned at 9:50 a.m. on a motion from the Hon. David Nantes.

VENTURE CAPITAL CORPORATION

Representatives of the Venture Capital Corporation appeared before the Standing Committee on Public Accounts on Wednesday, May 27, 1987.

A section on the Venture Corporations Board (p. 126) appears in the 1986 Report of the Auditor General and makes particular reference to a study carried out by Clarkson Gordon consultants. The recommendation of this study is that the Venture Corporations Act be amended to allow the practice of more active involvement of the Board in the operations of the investee. Mr. Ellis, Chairman, described the relationship between the venture capitalist and the investee company as a "balancing act". The venture capitalist needs a provision whereby it can step in to protect its (and the governments') investment. On the other hand, the entrepreneur wishes to retain as much control as possible. Mr. Ellis suggested further study was needed to determine the measure of involvement required before a decision was made to change the Act.

Another concern arising out of the Auditor General's report was the number of venture corporations that had not filed the annual information returns or financial statements in the four month time period as outlined in the Act.

The Venture Corporations Act stipulates that venture corporations are to file annual information returns or financial statements within a four month time period. Of concern, as mentioned in the 1986 Auditor General's Report, is the number of venture corporations that have not complied with this requirement. This prompted Dr. Gillis to ask whether four months was an adequate length of time to prepare and submit such information and if not, would a recommendation be made to the Minister responsible to change the Act. Mr. Ellis felt that many smaller companies may be having difficulty with the four month regulation, but felt that as a result of today's meeting with the Public Accounts Committee, the Corporation would encourage compliance with the Act.

Mr. MacLean questionned Mr. Ellis on the possible purchase of Suttles & Seawinds by Jilnik Equities and ABC Ventures. Mr. Ellis identified for the Committee the owners of Jilnik Equities, but was unable to name the principals of ABC as the company had not yet been registered with the Joint Stock Companies Office.

Venture Capital Corporation
...continued

A fairly lengthy discussion took place on the involvement of Mr. Robert Bruce as a receiver for Suttles & Seawinds while an active member of the Venture Capital Corporation Board. Mr. MacLean felt Mr. Bruce's advice "certainly would not be unencumbered with personal commitments". Further discussion of Suttles & Seawinds centred on the relationship to the company of the Nova Scotia Resources Development Board.

Mr. Holms enquired as to how many jobs had been created as a result of the Venture Capital Program. Mr. Ellis told the Committee that between 800 and 1,000 jobs have been created or retained as a result of assistance given through Venture Capital. Mr. Holm expressed interest in the Clarkson-Gordon review but was told that it had been prepared for the Minister of Development and was, therefore, the Minister's Report.

In reply to a query from Dr. Gillis, Mr. Ellis stated that 53 companies are registered with the Venture Capital Corporation, but that seven are now defunct which leaves the Corporation dealing with 46 companies as live entities. Dr. Gillis requested that a list of these companies be sent to the Secretary of the Committee for distribution to Committee members.

Summary

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Wednesday, May 27, 1987
Legislative Chamber, House of Assembly

COMMITTEE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Hon. Brian Young
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

IN ATTENDANCE:

Dr. William Gillis, Chairman
Hon. Ronald Giffin
Hon. Ronald Russell
Hon. David Nantes
Dr. James MacLean
Mr. George Archibald
Mr. Vincent MacLean
Mr. John Holm

Dr. Colin Stewart attended for the Hon. Brian Young

Mrs. Margaret-Anne Bennett
Secretary

WITNESSES:

Venture Capital Corporation:

Dr. J. R. Ellis
Chairman

Mr. R. Hanna
Manager

INFORMATION REQUESTED by Dr. William Gillis:

- a list of Venture Capital Corporations

Meeting Summary
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At the invitation of the Chairman, Mr. Ellis made a brief opening statement, making reference to the Clarkson Gordon Report which reviewed the objectives and operation of the Venture Capital Program.

Questions/concerns raised by Committee members:

Mr. Vincent J. MacLean:

- current board members of the Corporation.

- monies set aside for doubtful accounts.

- shareholders in:
  ...ABC Venture Limited
  ...Jilnik Enterprises

- Suttles and Seawinds:
  ...negotiations to purchase
  ...involvement of Mr. Robert Bruce as receiver and board member
  ...feelings of Nova Scotia Resources Development Board
  ...assessment of assets by Coopers and Lybrand

- main people involved in Jilnik Enterprises.

- principals involved in ABC Venture.

Mr. John Holm:

- Clarkson Gordon review - is it available?

- new venture corporations.

- difficulties with respect to Nova Ventures.

- percentage of companies failing.

- jobs created as a result of venture capital program.

- venture corporations:
  ...how many defunct or with problems
  ...how many receiving a 50% subsidy
  ...are they expanding or branching out

Meeting Summary
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There were no questions from the Government members of the Committee.

Dr. William Gillis:

- Auditor General's Report re lack of disclosure of information by the companies.
  ..do companies need more than 4 months to file annual financial statement?
  ..would you recommend to Minister that Act be changed if four months was inadequate?

- changes to Act to allow for more active interest and involvement by Corporation in companies in which monies are invested.

- number of companies being dealt with as live entities.

The meeting concluded with a discussion concerning the cancellation of the public presentation by Nova Scotia Resources Limited.

Meeting adjourned at 11:30 a.m. on a motion by the Hon. David Nantes.